

**Greater Shreveport Chamber of Commerce
Shreveport, Louisiana**

Financial Statements

**As of and for the Year Ended December 31, 2007
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/6/08

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

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Independent Auditors' Report

To the Board of Directors
Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

We have audited the accompanying combined statement of financial position of the Greater Shreveport Chamber of Commerce as of December 31, 2007, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of the Greater Shreveport Chamber of Commerce's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Greater Shreveport Chamber of Commerce as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2008, on our consideration of the Greater Shreveport Chamber of Commerce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The accompanying supplemental schedules shown on pages 12-13 are presented for the purpose of additional analysis and are not a required part of the financial statements of the Greater Shreveport Chamber of Commerce. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Cook and Morehart
Certified Public Accountants
June 8, 2008

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Financial Position
December 31, 2007
(with comparative amounts for 2006)

| Assets | 2007 | 2006 |
|--|---------------------|---------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 238,830 | \$ 186,988 |
| Investments | 780,163 | 1,060,012 |
| Grant receivable | 58,422 | 24,249 |
| Other receivables | 46,813 | 89,037 |
| Unconditional promises to give | 399,660 | 286,114 |
| Prepaid expenses | 43,422 | 31,003 |
| Total current assets | <u>1,565,310</u> | <u>1,677,403</u> |
| Noncurrent assets: | | |
| Investment held for endowment purposes | 349,444 | 349,461 |
| Investment held for land development | 114,720 | 103,472 |
| Unconditional promises to give | 1,041,988 | 902,696 |
| Land held for development | 1,854,741 | 1,868,163 |
| Property and equipment, net | 643,381 | 676,056 |
| Total noncurrent assets | <u>4,004,274</u> | <u>3,899,848</u> |
| Total Assets | <u>\$ 5,569,584</u> | <u>\$ 5,577,251</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 403,953 | \$ 331,922 |
| Deferred revenue | 18,857 | 97,906 |
| Total current liabilities | <u>422,810</u> | <u>429,828</u> |
| Net assets | | |
| Unrestricted: | | |
| Operating | 761,368 | 973,124 |
| Designated | 96,237 | 91,854 |
| Fixed assets | 643,381 | 676,056 |
| Land held for industrial park | 1,854,741 | 1,868,163 |
| Temporarily restricted | 1,498,248 | 1,245,427 |
| Permanently restricted | 292,799 | 292,799 |
| Total net assets | <u>5,146,774</u> | <u>5,147,423</u> |
| Total Liabilities and Net Assets | <u>\$ 5,569,584</u> | <u>\$ 5,577,251</u> |

The accompanying notes are an integral part of the financial statements.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Activities
For the Year Ended December 31, 2007
(with comparative amounts for 2006)

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Totals |
|--|--------------|------------------------|------------------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| Revenues, gains, support and reclassifications: | | | | |
| Memberships dues | \$ 621,840 | \$ 621,840 | \$ 621,840 | \$ 621,840 |
| Programs and projects | 233,203 | 233,203 | 233,203 | 233,203 |
| Rent and royalties | 388,682 | 388,682 | 388,682 | 388,682 |
| Grants and contracts | 488,395 | 488,395 | 488,395 | 488,395 |
| Publication sales | | | | |
| Contributions and donations | | 808,393 | 808,393 | 808,393 |
| Interest and dividends | 2,363 | 2,363 | 2,363 | 2,363 |
| Investment return | 88,170 | 88,170 | 88,170 | 88,170 |
| Miscellaneous | 133,184 | 133,184 | 133,184 | 133,184 |
| Net assets released from restrictions | | | | |
| Satisfaction of program restrictions | 555,572 | (555,572) | | |
| Total revenues, gains, support and reclassifications | 2,512,409 | 252,821 | | 2,765,230 |
| | | | | 3,353,245 |
| Expenses: | | | | |
| Supporting services | | | | |
| General and administrative | 748,850 | 748,850 | 748,850 | 748,850 |
| Marketing and fund raising | 118,161 | 118,161 | 118,161 | 118,161 |
| Programs services | | | | |
| Public relations | 70,446 | 70,446 | 70,446 | 70,446 |
| Government relations | 202,591 | 202,591 | 202,591 | 202,591 |
| Membership services | 401,558 | 401,558 | 401,558 | 401,558 |
| Economic development | 1,015,085 | 1,015,085 | 1,015,085 | 1,015,085 |
| Government procurement center | 209,188 | 209,188 | 209,188 | 209,188 |
| Total expenses | 2,765,879 | 2,765,879 | | 2,765,879 |
| | | | | 2,468,132 |
| Change in net assets | (253,470) | 252,821 | (649) | 884,113 |
| Net assets, beginning of year | 3,809,197 | 1,245,427 | 292,799 | 5,147,423 |
| Net assets, end of year | \$ 3,355,727 | \$ 1,498,248 | \$ 292,799 | \$ 5,146,774 |
| | | | | \$ 5,147,423 |

The accompanying notes are an integral part of the financial statements.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Functional Expenses
For the Year Ended December 31, 2007
(with comparative amounts for 2006)

| | Support Services | | Program Services | | | | | | Totals | |
|---------------------------------------|----------------------------|----------------------------|------------------|------------------|----------------------|---------------------|----------------------|-------------------------------|--------------|--------------|
| | General and Administrative | Marketing and Fund Raising | Total | Public Relations | Government Relations | Membership Services | Economic Development | Government Procurement Center | Total | |
| Salaries and commissions | \$ 322,344 | \$ | 322,344 | \$ | 117,561 | \$ 181,477 | \$ 342,872 | \$ 129,414 | \$ 771,324 | \$ 1,093,668 |
| Payroll taxes | 19,824 | | 19,824 | | 9,150 | 12,757 | 22,480 | 10,270 | 54,837 | 74,261 |
| Pension expense | 29,064 | | 29,064 | | 9,258 | 13,581 | 20,021 | 8,756 | 51,626 | 80,690 |
| Other employee benefits | 25,881 | | 25,881 | | 8,398 | 26,022 | 22,058 | 13,926 | 70,404 | 96,285 |
| Advertising | 2,250 | | 2,250 | | | 54,568 | 168,216 | | 222,803 | 225,053 |
| Liability insurance | 25,944 | | 25,944 | | | | | | | 25,944 |
| Building Rent | 27,000 | | 27,000 | | | | | | | 27,000 |
| Office supplies | 4,879 | | 4,879 | | 812 | 9,510 | 3,283 | 2,567 | 16,172 | 21,051 |
| Periodicals and dues | 6,984 | | 6,984 | | 2,113 | 10,962 | 6,821 | 1,220 | 21,136 | 28,120 |
| Postage | 7,045 | | 7,045 | | 195 | 14,538 | 1,336 | 2,349 | 18,418 | 25,463 |
| Professional expense | 12,385 | | 12,385 | | | | 33,320 | | 33,320 | 45,715 |
| Photocopy and printing | 55 | | 55 | | 392 | 15,527 | 3,928 | 1,725 | 21,570 | 26,417 |
| Travel | 1,559 | | 1,559 | | 27,892 | 10,511 | 55,833 | 7,086 | 101,322 | 102,881 |
| Members/prospect development | 1,269 | 854 | 2,123 | | | | 9,044 | | 9,044 | 11,167 |
| Luncheons and receptions | 26,148 | | 26,148 | | 5,854 | 3,455 | 6,744 | 7,719 | 23,769 | 49,917 |
| Contract labor | | | | | 454 | | 1,643 | 3,646 | 5,743 | 5,743 |
| Equipment replacement | 6,490 | | 6,490 | | | | 6,582 | | 17,093 | 23,583 |
| Professional development | 1,510 | | 1,510 | | 2,085 | 2,085 | 9,243 | 860 | 14,283 | 15,893 |
| Repairs and maintenance | 21,078 | | 21,078 | | | | 1,878 | | 1,878 | 22,964 |
| Custodial expenses | 29,666 | | 29,666 | | | | | | | 29,666 |
| Telephone | 1,382 | | 1,382 | | 3,927 | 8,375 | 14,411 | 8,835 | 33,848 | 35,030 |
| Utilities | 31,915 | | 31,915 | | | | | | | 31,915 |
| Miscellaneous | 30,019 | 100 | 30,119 | | 14,500 | 2,582 | 7,093 | 207 | 24,322 | 54,441 |
| Annual meeting expenses | | | | | | 37,085 | | | 37,085 | 37,085 |
| DED - Tier I and II contracts | | | | | | | 236,210 | | 236,210 | 236,210 |
| Website and electronic communications | | | | | | 463 | | | 463 | 463 |
| Leadership programs | | | | 70,446 | | | | | 70,446 | 70,446 |
| Women's business council | 17,178 | | 17,178 | | | | | | | |
| Minority business council | 63,284 | | 63,284 | | | | | | | |
| Special events | | 14,350 | 14,350 | | | | | | | |
| Reserve for bad debts | | 102,857 | 102,857 | | | | | | | |
| Hispanic business council | 1,409 | | 1,409 | | | | | | | |
| Loss on sale of land | 10,716 | | 10,716 | | | | | | | |
| Investments | 8,382 | | 8,382 | | | | | | | |
| Depreciation | 23,282 | | 23,282 | | | | | | | |
| Total expenses | \$ 748,650 | \$ 118,161 | \$ 866,811 | \$ 70,446 | \$ 202,591 | \$ 401,559 | \$ 1,015,085 | \$ 209,189 | \$ 1,898,868 | \$ 2,765,079 |
| | | | | | | | 42,152 | | 42,152 | 65,434 |
| | | | | | | | | | | 71,472 |
| | | | | | | | | | | \$ 2,485,132 |

The accompanying notes are an integral part of the financial statements.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Statement of Cash Flows
For the Year Ended December 31, 2007
(with comparative amounts for 2006)

| | <u>2007</u> | <u>2006</u> |
|--|-------------------|-------------------|
| Operating Activities | | |
| Changes in net assets | \$ (649) | \$ 884,113 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 65,434 | 71,472 |
| Loss on Disposal | 10,716 | |
| Net realized and unrealized (gains)/losses on investments | (24,511) | (100,455) |
| Interest and dividends restricted for investment in endowment | (19,095) | (18,632) |
| (Increase) decrease in operating assets: | | |
| Grants receivable | (32,173) | 16,467 |
| Other receivables | 42,224 | (17,165) |
| Unconditional promises to give | (349,691) | (1,257,470) |
| Prepaid expenses | (12,419) | 10,339 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable and accrued expenses | 72,031 | (23,980) |
| Deferred revenue | (79,049) | 10,423 |
| Discount on unconditional promises | 96,853 | 174,863 |
| Net cash provided (used) by operating activities | <u>(230,329)</u> | <u>(250,025)</u> |
| Investing Activities | | |
| Proceeds from sale of investments | 350,438 | 229,264 |
| Purchase of investments | (54,603) | (57,496) |
| Payments for property and equipment | (32,759) | (13,210) |
| Net cash provided (used) by investing activities | <u>263,076</u> | <u>158,558</u> |
| Financing Activities | | |
| Interest and dividends restricted for investment in endowment | 19,095 | 18,632 |
| Net decrease in cash and cash equivalents | 51,842 | (72,835) |
| Cash and cash equivalents as of beginning of year | <u>186,988</u> | <u>259,823</u> |
| Cash and cash equivalents as of end of year | <u>\$ 238,830</u> | <u>\$ 186,988</u> |

The accompanying notes are an integral part of the financial statements.

**Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2007**

(1) Summary of Significant Accounting Policies

A. Principles of Combination

The accompanying financial statements reflect the combined financial statements of the Greater Shreveport Chamber of Commerce (the Chamber) and all related entities as described below. The members of the Chamber elect the board of directors of the Chamber, and the Executive Committee of the Chamber serves as the board of Northwest Louisiana Economic Development Foundation, Inc. The Chamber board of directors also serves as the board of directors for the Greater Shreveport Industrial Park Development Foundation, Inc. The Chamber and these other entities share common facilities and personnel. Material interorganization transactions and balances have been eliminated.

B. Nature of Activities

The Greater Shreveport Chamber of Commerce – This is a nonprofit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)6 of the Internal Revenue Code. Activities within this entity are accounted for in three funds.

General fund – accounts for the general operations and activities of the Chamber.

Minority Business Council & Women's Business Council – provide professional programs that inform women and minorities in business about current business conditions.

I-49 North Coalition – raise money to lobby for the completion of I-49 to Arkansas-Louisiana state line.

Northwest Louisiana Economic Development Foundation, Inc. – This is a non-profit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. Activities within this entity are primarily related to economic development and education.

Greater Shreveport Industrial Park Development Foundation, Inc. – This is a non-profit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. Activities within this entity are primarily related to industrial park development.

C. Basis of Accounting

The financial statements of the Chamber have been prepared on the accrual basis of accounting.

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2007
(Continued)

E. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

F. Deferred Revenue

Income from membership dues and other Chamber events is deferred and recognized over the periods to which the dues and events relate.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Chamber considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

H. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise to give is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

I. Investments

The Chamber carries investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

J. Property and Equipment

Property, equipment, and leasehold improvements are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the useful life of the improvement, whichever is shorter. The Chamber has adopted a policy of capitalizing all assets with a unit value of \$1,000 or more.

K. Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2007
(Continued)

L. Advertising Costs

The Chamber uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2007, advertising costs totaled \$225,053. The Chamber was reimbursed \$73,248 under a contract with the City of Shreveport to plan and implement a comprehensive marketing program to recruit new businesses, encourage job growth in primary growth industries, promote the entertainment industry for downtown Shreveport, and enhance the area economy.

M. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chamber's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to promises to give are limited due to the large number of contributors comprising the Chamber's contributor base and their dispersion across different industries. As of December 31, 2007, the Chamber had no significant concentrations of credit risk in relation to promises to give.

The Chamber maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2007, total cash balances held at financial institutions was \$250,112. Of this amount \$239,717 was secured by FDIC, and \$10,395 was unsecured.

(3) Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

| | |
|---|-------------------|
| Cash, non-interest bearing | \$ 104,150 |
| Cash, interest bearing, daily simple interest | 134,680 |
| | <u>\$ 238,830</u> |

(4) Investments

Investments as of December 31, 2007 consisted of the following:

| | 2007 | |
|-----------------|-------------------|-------------------|
| | Fair Value | Cost |
| Equities | \$ 559,999 | \$ 501,306 |
| Corporate bonds | 316,687 | 315,262 |
| Other | 18,197 | 18,197 |
| | <u>\$ 894,883</u> | <u>\$ 834,765</u> |

Of this amount \$114,720 is shown as a noncurrent asset and is held for land development. Investment return for the year ended December 31, 2007 was \$64,782, which consisted of \$35,508 interest and dividends, \$24,013 unrealized loss, and \$53,287 realized gain.

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2007
(Continued)

(5) Investment Held for Endowment Purposes

Investments held for endowment purposes as of December 31, 2007 consisted of the following:

| | 2007 | |
|-----------------|-------------------|-------------------|
| | <u>Fair Value</u> | <u>Cost</u> |
| Money fund | \$ 20,829 | \$ 20,829 |
| Corporate bonds | 328,615 | 328,637 |
| | <u>\$ 349,444</u> | <u>\$ 349,466</u> |

Investment return for the year ended December 31, 2007 was \$23,388, which consisted of \$19,096 interest and dividends and \$4,292 unrealized gain.

(6) Grants Receivable

The Chamber receives a federal grant that provides reimbursement of allowable costs under contract. This balance represents amounts due from the funding agency at December 31, 2007, but not received until after that date.

(7) Other Accounts Receivable

The other accounts receivable balance at December 31, 2007 is comprised of membership dues, riverboat boarding fees, and other miscellaneous amounts due at December 31, 2007 but not received until after that date. The other accounts receivable are shown net of a reserve for uncollectible accounts of \$42,316.

(8) Promises to Give

The Chamber began a new economic development campaign in 2006 entitled Forward North Louisiana. Promises to give are restricted to payment of costs associated with economic development projects and projects supporting the economic growth of Shreveport and Northwest Louisiana. The promises to give are shown net of an allowance for uncollectible promises to give of \$271,500. Long-term promises to give are discounted at a rate of 3%.

Unconditional promises to give at December 31, 2007 were as follows:

| | |
|--|--------------------|
| Receivable in less than one year | <u>\$ 399,660</u> |
| Receivable in one to five years | 1,138,841 |
| Less discount on promises | <u>(96,853)</u> |
| Net long-term | <u>1,041,988</u> |
| Net unconditional promises to give at December 31, 2007 | <u>\$1,441,646</u> |

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2007
(Continued)

(9) Land Held for Development

This represents \$951,105 of land purchased in Caddo Parish to develop an industrial park, as well as \$903,636 of development expenses. A portion of the land was purchased with city, state, and parish funds through cooperative endeavor agreements that provide certain restrictions on the property's sale or transfer.

(10) Property and Equipment

Property and equipment at December 31, 2007, with estimated depreciable life, are summarized as follows:

| | | |
|--------------------------------|------------|---------------------|
| Land | N/A | \$ 100,000 |
| Leasehold Improvements | 30 years | 1,247,382 |
| Furniture, fixtures, equipment | 5-10 years | 378,658 |
| Idle property | | <u>9,532</u> |
| | | 1,733,572 |
| Accumulated Depreciation | | <u>(1,090,191)</u> |
| | | <u>\$ 643,381</u> |

Depreciation expense for the year ended December 31, 2007 was \$65,434.

(11) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2007, consisted of the following:

| | |
|-----------------------|-------------------|
| Accounts payable | \$ 51,561 |
| Wages payable | 89,421 |
| Payroll taxes payable | 14,814 |
| Accrued leave payable | 134,425 |
| Other payables | <u>113,732</u> |
| | <u>\$ 403,953</u> |

(12) Restrictions on Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

| | |
|---|---------------------|
| For subsequent year's activities – capital campaign | \$ 1,441,648 |
| Earnings on investment – endowment | <u>56,600</u> |
| | <u>\$ 1,498,248</u> |

Permanently restricted net assets consist of a donation received by the Chamber to establish and fund the J. Pat Beaird Memorial Industry of the Year Award. The donor specified that the funds were to be invested by the Chamber and the annual income derived therefrom is to be used to underwrite the expenses of this annual award ceremony.

(13) Designated Net Assets

Unrestricted net assets of the Chamber at December 31, 2007 are designated for the following:

| | |
|-------------------|------------------|
| Building reserves | <u>\$ 98,237</u> |
|-------------------|------------------|

(Continued)

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2007
(Continued)

(14) Employee Benefit Plans

Effective April 1, 1999, the Chamber began participating in a 401(k) profit-sharing plan whereby the Chamber makes contributions to the Plan each year equal to 8% of participating employee's compensation. Total expense for the year ended December 31, 2007, was approximately \$80,690.

(15) Operating Leases

The Chamber leases a building from the City of Shreveport requiring monthly payments of \$2,250 for thirty years with the option to renew for five successive ten year periods. The lease may be canceled at the lessor's option at any time with a partial reimbursement to the Chamber for leasehold improvements. The primary term of the lease expires in February, 2012. During 2003, the Chamber discontinued paying the monthly rent to the City in lieu of building repairs paid for by the Chamber. The Chamber resumed making monthly payments to the City in September 2006, after costs of repair work had been recouped. The total lease payments paid on this lease for the year ended December 31, 2007 was \$27,000.

The Chamber leases a phone system requiring monthly payments of \$293 for five years. The lease payments paid on this lease for the year ended December 31, 2007 was \$2,193. In July 2007 the Chamber purchased the phone system for \$4,447.

The Chamber leases a postage machine requiring monthly payments of \$186 for three years. The lease payments paid on this lease for the year ended December 31, 2007 was \$2,671.

The future minimum lease payments under the operating leases are as follows:

| | |
|------------|-------------------|
| 2008 | 29,228 |
| 2009 | 29,043 |
| 2010 | 27,000 |
| 2011 | 27,000 |
| 2012 | 27,000 |
| Thereafter | 2,250 |
| | <u>\$ 141,521</u> |

(16) Sub-Lease Revenue

During 2003, the Chamber began leasing office space to a third party. Total rental revenue under the lease agreement was \$28,260 for 2007.

The future rental receipts under existing lease agreements, are as follows:

Years ending December 31,

| | |
|------|------------------|
| 2008 | <u>\$ 11,775</u> |
|------|------------------|

(17) Subsequent Event

Beginning January 1, 2008, the Northwest Louisiana Economic Development Foundation (Foundation) established a board independent of the Greater Shreveport Chamber of Commerce. As a result, the Foundation will not be combined with the Greater Shreveport Chamber of Commerce after December 31, 2007.

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Financial Position
December 31, 2007

| | General Fund | NLEDF, Inc. | GSIPDF, Inc. | Totals |
|--|-----------------|--------------|--------------|--------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 217,480 | \$ 18,946 | \$ 2,404 | \$ 238,830 |
| Investments | 50,000 | 30,163 | 700,000 | 780,163 |
| Grant receivable | 56,422 | | | 56,422 |
| Other receivables | 20,071 | 13,992 | 12,750 | 46,813 |
| Unconditional promises to give | | 399,660 | | 399,660 |
| Prepaid expenses | 42,422 | 1,000 | | 43,422 |
| Total current assets | 386,395 | 463,761 | 715,154 | 1,565,310 |
| Noncurrent assets: | | | | |
| Investment held for endowment purposes | | 349,444 | | 349,444 |
| Investment held for land development | | 114,720 | | 114,720 |
| Unconditional promises to give | | 1,041,988 | | 1,041,988 |
| Land held for development | | | 1,854,741 | 1,854,741 |
| Property and equipment, net | 269,342 | 374,039 | | 643,381 |
| Total noncurrent assets | 269,342 | 1,880,191 | 1,854,741 | 4,004,274 |
| Total Assets | \$ 655,737 | \$ 2,343,952 | \$ 2,569,895 | \$ 5,569,584 |
| Liabilities and Net Assets | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued expense | \$ 289,234 | \$ 384 | \$ 114,335 | \$ 403,953 |
| Deferred revenue | 18,857 | | | 18,857 |
| Total current liabilities | 308,091 | 384 | 114,335 | 422,810 |
| Net assets | | | | |
| Unrestricted: | | | | |
| Operating, undesignated | (17,933) | 178,482 | 600,819 | 761,368 |
| Operating, designated | 96,237 | | | 96,237 |
| Fixed assets | 269,342 | 374,039 | | 643,381 |
| Land held for industrial park | | | 1,854,741 | 1,854,741 |
| Temporarily restricted | | 1,498,248 | | 1,498,248 |
| Permanently restricted | | 292,799 | | 292,799 |
| Total net assets | 347,648 | 2,343,568 | 2,455,560 | 5,146,774 |
| Total Liabilities and Net Assets | \$ 655,737 | \$ 2,343,952 | \$ 2,569,895 | \$ 5,569,584 |

Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Combined Schedule of Activities
For the Year Ended December 31, 2007

| | General Fund | NLEDF, Inc. | GSIPDF, Inc. | Totals |
|---|--------------------|---------------------|---------------------|---------------------|
| Revenues, gains, and support | | | | |
| Membership dues | \$ 611,275 | \$ 10,565 | \$ | \$ 621,840 |
| Programs and projects | 233,203 | | | 233,203 |
| Rent and royalties | 29,790 | 319,469 | 40,423 | 389,682 |
| Grants and contracts | 243,435 | 244,960 | | 488,395 |
| Contributions and donations | 5,250 | 803,143 | | 808,393 |
| Interest and dividends | 1,280 | 1,103 | | 2,383 |
| Investment return | 64,782 | 23,388 | | 88,170 |
| Miscellaneous | 124,342 | 8,842 | | 133,184 |
| Total revenues, gains, and support | 1,313,337 | 1,411,470 | 40,423 | 2,765,230 |
| Expenses and losses: | | | | |
| Supporting services | | | | |
| General and administrative | 738,514 | | 10,336 | 748,850 |
| Marketing and fund raising | 109,161 | 9,000 | | 118,161 |
| Programs services | | | | |
| Public Relations | 70,446 | | | 70,446 |
| Government relations | 202,591 | | | 202,591 |
| Membership services | 401,558 | | | 401,558 |
| Economic development | 727,015 | 288,070 | | 1,015,085 |
| Government procurement center | 209,188 | | | 209,188 |
| Total expenses | 2,458,473 | 287,070 | 10,336 | 2,765,879 |
| Change in net assets, before transfers | (1,145,136) | 1,114,400 | 30,087 | (649) |
| Interfund Transfers: | | | | |
| Operating transfers in | 1,254,799 | | | 1,254,799 |
| Operating transfers out | | (1,095,799) | (159,000) | (1,254,799) |
| Change in net assets | 109,663 | 18,601 | (128,913) | (649) |
| Net assets, beginning of year | 237,983 | 2,324,967 | 2,584,473 | 5,147,423 |
| Net assets, end of year | \$ 347,646 | \$ 2,343,568 | \$ 2,455,560 | \$ 5,146,774 |

COOK & MOREHART

Certified Public Accountants

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors
Greater Shreveport Chamber of Commerce
Shreveport, Louisiana

We have audited the financial statements of Greater Shreveport Chamber of Commerce as of and for the year ended December 31, 2007, and have issued our report thereon dated June 8, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greater Shreveport Chamber of Commerce's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Shreveport Chamber of Commerce's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the Greater Shreveport Chamber of Commerce's internal over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organizations' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organizations' financial statements that is more than inconsequential will not be prevented or detected by the organizations' internal control.

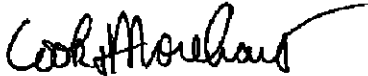
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organizations' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Shreveport Chamber of Commerce's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
June 8, 2008

**Greater Shreveport Chamber of Commerce
Shreveport, Louisiana
Summary Schedule of Audit Findings
December 31, 2007**

Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the prior year audit for the year ended December 31, 2006.

There was one management letter comment for the prior year audit for the year ended December 31, 2006, as follows:

Report Reconciliation

Improvement noted.

Corrective Action Plan for Current Year Audit Findings

There are no findings, questioned costs, or management letter comments for the current year audit for the year ended December 31, 2007.